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FEDERAL STUDENT AID

FSA - Private Collection Agency (PCA) Service Area (SA) – Debt Collection

Financial and Business Solutions Schedule
Special Item Number 520-4

Request for QUOTES (RFQ)

RFP No. ED-08-R-0052

May 29, 2008

U.S. Department of Education
Office of Federal Student Aid
Acquisition Planning and Contract Performance
Washington, D.C.

STANDARD FORM 33

SOLICITATION, OFFER AND AWARD		1. THIS CONTRACT IS A RATED ORDER UNDER DPAS (15 CFR 700)		RATING	PAGE OF 1 Pages
2. CONTRACT NO.	3. SOLICITATION NO. ED-08-R-0052	4. TYPE OF SOLICITATION <input type="checkbox"/> SEALED BID (IFB) <input checked="" type="checkbox"/> NEGOTIATED (RFP)		5. DATE ISSUED 05/29/2008	6. REQUISITION/PURCHASE
7. ISSUED BY US Department of Education Federal Student Aid/Mission Support Group 830 First Street N.E., - Suite 91C1 Dominique Bataille Washington, DC 20202 Phone: 202-377-3459 Fax: 202-275-4604		CODE FSA-FS2	8. ADDRESS OFFER TO (If other than Item 7) US Department of Education Federal Student Aid/Mission Support Group 830 First Street N.E., - Suite 91C1 Washington, DC 20202		

NOTE: In sealed bid solicitations "offer" and "offeror" mean "bid" and "bidder".

SOLICITATION

9. Sealed offers in original and five (5) copies for furnishing the supplies or services in the Schedule will be received at the place spelled out in Item 8, or if hand carried, in the depository located in See Block 7 until 4:00PM local time 06/26/2008.
(Hour) (Date)

CAUTION - LATE Submissions, Modifications, and Withdrawals: See Section L, Provision No. 52.214-7 or 52.215-1. All offers are subject to all terms and conditions contained in this solicitation.

10. FOR INFORMATION CALL:	A. NAME Dominique Bataille	B. TELEPHONE NO. (NO COLLECT CALLS)			C. E-MAIL ADDRESS
		AREA CODE 202	NUMBER 377-3459	EXT.	Dominique.bataille@ed.gov

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OFFER (Must be fully completed by offeror)

NOTE: Item 12 does not apply if the solicitation includes the provisions at 52.214-16, Minimum Bid Acceptance Period.

12. In compliance with the above, the undersigned agrees, if this offer is accepted within 180 calendar days from the date for receipt of offers specified above, to furnish any or all items upon which prices are offered at the price set opposite each item, delivered at the designated point(s), within the time specified in the schedule.

13. DISCOUNT FOR PROMPT PAYMENT (See Section I, Clause No. 52.232-8)		10 CALENDAR DAYS %	20 CALENDAR DAYS %	30 CALENDAR DAYS %	CALENDAR DAYS %
14. ACKNOWLEDGMENT OF AMENDMENTS (The offeror acknowledges receipt of amendments to the SOLICITATION for offerors and related and related documents numbered and dated):		AMENDMENT NO.	DATE	AMENDMENT NO.	DATE
15A. NAME AND ADDRESS OF OFFEROR	CODE	FACILITY	16. NAME AND TITLE OF PERSON AUTHORIZED TO SIGN OFFER (Type of Print)		
15B. TELEPHONE NUMBER AREA CODE NUMBER EXT.		15C. CHECK IF REMITTANCE ADDRESS IS DIFFERENT FROM ABOVE - ENTER SUCH ADDRESS IN SCHEDULE.		17. SIGNATURE	18. OFFER DATE

AWARD (To be completed by Government)

19. ACCEPTED AS TO ITEMS NUMBERED	20. AMOUNT	21. ACCOUNTING AND APPROPRIATION See G.1	
22. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION: <input type="checkbox"/> 10 U.S.C 2304(c)() <input type="checkbox"/> 41 U.S.C. 253(c)()		23. SUBMIT INVOICES TO ADDRESS SHOWN IN (4 copies unless otherwise specified)	
24. ADMINISTERED BY (If other than Item 7) CODE		25. PAYMENT WILL BE MADE BY CODE As specified on individual orders	
26. NAME OF CONTRACTING OFFICER (Type or print)		27. UNITED STATES OF AMERICA (Signature of Contracting Officer)	
		28. AWARD DATE	

IMPORTANT - Award will be made on this Form, or on Standard Form 26, or by other authorized official written notice.

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Previous edition is unusable

STANDARD FORM 33 (REV. 9-97)

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PART I - THE SCHEDULE

SECTION A - SOLICITATION / CONTRACT FORM

See Attached Solicitation / Contract Form

(End of Section A)

SECTION B – SUPPLIES OR SERVICES AND PRICES/COSTS

B.1 GENERAL

This Request for Quotes (RFQ) is issued in accordance with the General Services Administration (GSA) Federal Supply Service's Financial and Business Solutions (FABS) Schedule. The Department of Education (ED) seeks to issue task orders under Special Item Number (SIN) 520-4 to approximately 10 to 14 contractors who will provide collection services as described in the attached Statement of Work. ED also seeks to award approximately 3 to 7 task orders to small business.

This competition is being conducted in accordance with Federal Acquisition Regulation (FAR) Subpart 8.4, Federal Supply Schedules, and GSA ordering requirements applicable to services purchased under SIN 520-4 of the FABS Schedule. This competition is *not* being conducted under FAR Part 15. Although some procedures followed by the Government in this procurement may closely parallel FAR Part 15 procedures, the Government is under no obligation and makes no commitment to follow any FAR Part 15 procedures or requirements except as expressly set forth in this solicitation.

B.2 TYPE OF CONTRACT

This is a multiple Performance-Based, Firm Fixed Price task order award, with provisions for pricing arrangements.

B.3 BASE AND OPTION PERIODS

The ordering period for the task orders will be from date of award through March 31, 2011, and an additional option period of up to 24 months. The total ordering period will not exceed 60 months from date of task order award. This is not a multiyear contract as defined in FAR Sub part 17.1.

B.4 PROVISIONS FOR PRICING AND PAYMENT

- A. The total amount obligated and available for payment under this task order is \$____1_____. Payment shall be made in accordance the terms of the GSA Schedule Contract and the pricing schedule shown in Clause B.5 and with any other supplementary payment scheme that may be otherwise negotiated and specified.
- B. The Government shall have the right to unilaterally increase the amount of obligated funds under this order at any time in order to provide sufficient funds to cover the anticipated volume of services or supplies for the remainder of the term. Additional funds will be obligated on appropriate modifications signed by the Contracting Officer.
- C. The Government shall also have the right to unilaterally decrease the amount of this order in the same manner as above.

B.5 PRICING SCHEDULE

B.5.1 Commissions and Fees will be fixed for the price categories listed below and shall apply to the base period and the option year periods.

Category	Commission/Fee	
Regular Payments		
Pricing Alternative #1		
○ Direct	<u>16.0%</u>	/dollar
○ Non-Direct	<u>17.5%</u>	/dollar
Pricing Alternative #2		
○ First-placement Direct	<u>15.0%</u>	/dollar
○ Secondary placements	<u>17.5%</u>	/dollar
Administrative Wage Garnishment (AWG)	<u>14.0%</u>	/dollar
Final Rehabilitation		
Pricing Alternative #1		
○ Direct	<u>13.5%</u>	/dollar
○ Non-Direct	<u>15.0%</u>	/dollar
Pricing Alternative #2		
○ First-placement Direct	<u>12.5%</u>	/dollar
○ Secondary placements	<u>15.0%</u>	/dollar
Final Consolidation		
○ Direct	<u>6.5%</u>	/dollar
○ Non-Direct	<u>6.5%</u>	/dollar
Administrative Resolution (AR) Fee	<u>\$50</u>	/AR unit

B.5.2 Pricing Alternatives

The Government shall have the unilateral right to select either Pricing Alternative #1 or Pricing Alternative #2 at any time. The Government may exercise its right to select a Pricing Alternative by the Contracting Officer giving written notice to the Contractor at least 60 days before the effective date of the change. The Government may exercise its right to change Pricing Alternatives as many times as it chooses. Unless the Government exercises its right to make a change, Pricing Alternative #1 shall be used.

- (1) Under Pricing Alternative #1, the “Direct” category includes all Federal Direct Student Loan (FDSL) debts assigned to the Contractor. “Non-Direct” includes all other debts assigned to the Contractor.
- (2) Under Pricing Alternative #2, the “First-placement Direct” category includes FDSL debts that have not been previously assigned to any ED PCA contractor. Secondary placements include all other debts assigned to the Contractor. In most cases, another

PCA or a Guaranty Agency will have previously attempted to collect secondary placement debts.

B.5.3 Regular Payments

Under Pricing Alternative #1, the Contractor shall be paid the **17.5%** commission on regular non-Direct Loan payments and **16.0%** commission on FDSL payments, excluding payments received as a result of Administrative Wage Garnishment (AWG). Under Pricing Alternative #2, the Contractor shall be paid the **17.5%** commission on payments received on secondary placements and **15.0%** commission on first-placement FDSL payments, excluding payments received as a result of Administrative Wage Garnishment (AWG).

B.5.4 Administrative Wage Garnishment (AWG)

The Contractor shall be paid the **14%** commission on payments received as a result of AWG.

B.5.5 Final Consolidation

The Contractor will be paid the commission rate of **6.5%** on the final payoff value of the debts consolidated provided the borrower meets all regulatory and statutory requirements, as well as any additional requirements set by Federal Student Aid (FSA), the consolidation lender or that lender's guarantor.

In addition, the borrower must have made six (6) consecutive monthly payments each of which equals or exceeds 0.5% of the total balance to be consolidated and was made in the 140 days preceding the date on which the account is certified for consolidation. Payments of 1% or greater are considered reasonable and affordable and no financial statement is required.

Payments of less than 1% will require a financial statement. If the borrower has not met the payment requirements above, the Contractor shall be paid no commission on the Lender's consolidation payment.

B.5.6 Rehabilitations

For rehabilitations under Pricing Alternative #1, the Contractor will be paid the commission rate of 15.0% on the final payoff amount of non-Direct loans rehabilitated and 13.5% on the final transfer value of FDSL debts rehabilitated provided the borrower meets all regulatory and statutory requirements. For rehabilitations under Pricing Alternative #2, the Contractor will be paid the commission rate of 12.5% on the final transfer value of first-placement FDSL debts rehabilitated, 15.0% on the final transfer value of secondary-placement FDSL debts rehabilitated, and 15.0% on the final payoff amount of FFEL loans rehabilitated provided the borrower meets all regulatory and statutory requirements. In addition under both Pricing Alternatives, the borrower must make 9 voluntary (to be considered "timely," a borrower's payment must be received within 20 days of the monthly due date) payments equal to the minimum required percentage of the final payoff or transfer value (i.e. combined principal, interest, fees and projected collection costs). Payments of this amount are automatically considered reasonable and affordable, and no financial statement is required to substantiate these payments. If the borrower's account is rehabilitated and the 9 timely payments are less than the minimum required, the account will be considered an "Administrative Rehabilitation" and the Contractor

will be paid based on the administrative resolution units applicable to an Administrative Rehabilitation.

B.5.7 Administrative Resolution Units

The Contractor will be paid a fee of \$50 for each Administrative Resolution Unit completed by the Contractor.

B.5.8 Accounts Not Eligible for Commission or Fee

1. No commission will be paid for any consolidation or rehabilitation where any of the borrower's voluntary monthly payments do not equal or exceed the required amounts.
2. No commission will be paid for any consolidation or rehabilitation where it is determined that, at the request of the Contractor, effective dates of the required payments have been changed or altered.
3. No commission shall be paid for any consolidation or rehabilitation where the borrower, prior to consolidation or rehabilitation, qualified for write-off of the loan for reasons including, but not limited to, permanent and total disability, fraud, bankruptcy, death, and close school and false certification claims.
4. No commission will be paid if the Contractor has not counseled the borrower on his or her eligibility for such write-offs, both orally and in writing. Written counseling must be done via a departmentally approved or created letter, and oral counseling must be documented on the Department of Education (ED) system.
5. The Contractor will not be paid a commission fee on any defaulted Consolidation Loan that has been re-consolidated.
6. No commission shall be paid on any account consolidated where a wage garnishment payment had posted in the 90 days prior to certification. This does not include voluntary payments miscoded by the Department as wage garnishment payments.
7. No commission shall be paid on any nonstandard compromise in excess of the following limits per CPCS period:
 - 6 for a contractor in the unrestricted pool and
 - 3 for a contractor in the small business pool.

(Unused limits do *not* carry over to subsequent CPCS periods.)

8. Unless ED approves an exception, no commission or fee will be paid for any consolidation, rehabilitation or administrative resolution where the PCA or the borrower did not meet any material (as determined by the Government) written requirement established by the Government.
9. No commission shall be paid on any compromise payment where compromise procedures were not followed (i.e., the compromise agreement letter is not sent to the borrower, the compromise information is not documented on the ED notepad, etc.).

If, in any of the above instances, the Department inadvertently pays a commission, the Department reserves the right to subsequently recover any such commission from the Contractor.

10. The pricing schedule does not include any bonus incentive fees. Refer to Clause H.6, "Special Task Order Bonus Payment Plan" below.

B.6 DESCRIPTION OF PRICE CATEGORIES

B.6.1 Commission Fee

Commissions shall be paid to the Contractor on dollars collected under the task orders at the rates specified in Section B.4 above.

The dollars eligible for Contractor commissions are those deposited net dollars (total deposit less any returned checks). The Contractor shall receive commission on any payment received eight (8) calendar days or more after the date the account is transferred to the Contractor and up to fourteen (14) calendar days after the date the account is returned to the Government.

The Contractor shall also receive commissions on an account that was approved for compromise and the dollars (certified funds, money order, etc.) were posted and deposited up to thirty (30) calendar days from the date the account is returned.

The Contractor shall not be paid a commission for the following:

- 1) Dollars received by the Government within seven (7) calendar days after the Government transferred the account to the Contractor. The Government has sent collection letters and payments resulting from the Government's efforts will not be eligible for commission.
- 2) School, lender or other third party payments. Such payments are not considered repayments from the borrower, but reimbursements of a portion of debts paid by the Government. Should a borrower pay the school or lender fifteen (15) calendar days after the date of the transfer to the Contractor, the Contractor shall provide complete documentation of that account before any commission may be paid.
- 3) Lender repurchases of FFEL debts.
- 4) Unidentified payments. Such payments, not posted to the account of any borrower are not subject to commission payment.
- 5) Any adjustment to the outstanding balance of accounts through administrative resolution including amounts waived through write-off, compromise, cancellation or closure due to the borrower's death, disability, bankruptcy or incarceration.
- 6) Dollars collected in excess of an individual's balance, resulting in overpayment by the borrower.
- 7) Dollars received on any account fifteen (15) calendar days or later from the date the account was returned to the Government.
- 8) Dollars received through any Federal, State or local government salary offset, refund, garnishment (with the exception of administrative wage garnishment initiated by the

Contractor), cancellations (i.e. teacher, military, Peace Corp, etc.), or other administrative action that results in the reduction or elimination of the debt in a manner beyond the scope of the Contractor's performance.

B.6.2 Commission Adjustment

Nonstandard Compromises—Subject to the limitations in this paragraph, the Contractor may, without prior approval from the Government, offer a borrower a compromise that goes beyond the current compromise standards set by the Government. A contractor in the unrestricted pool is limited to no more than 6 nonstandard compromises in any single quarter. A contractor in the small business pool is limited to no more than 3 nonstandard compromises in any single quarter. (Unused allowances do not carry over to subsequent quarters.) The Government may, at its sole discretion, set further limits on the use of nonstandard compromises. If the borrower accepts a nonstandard compromise offer, the Contractor is responsible for the netback difference between the nonstandard compromise settlement and the applicable compromise standard set by the Government. The Contractor must properly notify ED when providing a nonstandard compromise. The Government shall reduce the Contractor's commissions on any nonstandard compromise settlement made by the Contractor. In instances where the Contractor offered a nonstandard compromise amount, the commission adjustment shall be based on the netback dollars to the Government. Example:

Borrower's total balance is \$13,125. The Contractor compromises in conflict with the Government's current compromise standards and collects \$8,000 and is initially paid a commission fee of \$1,400 (17.5%). The Government recovers \$6,600.

Under the applicable compromise standards, the Contractor would only have accepted a compromise agreement under which the borrower pays \$10,500. The resultant netback to the Government would have been \$8,662.50. The Government has lost \$2,025 ($\$8,662.50 \text{ minus } \$6,600 = \$2,062.50$) therefore; the Government will deduct \$2,062.50 from the Contractor's next commission payment.

Bankruptcy—In the case of bankruptcy, where the Contractor fails to forward the bankruptcy documents to the Litigation Branch within three (3) calendar days from date of receipt of the documentation, the Government shall reduce the Contractor's overall commission by an amount equal to the amount the Government would have recovered in the course of the bankruptcy adjudication (if any recovery would have been made).

Administrative Resolution Fee—The Contractor shall be paid a fixed fee for each administrative resolution unit performed under this Task Order, as defined in the Statement of Work. The Contractor must have completed the requirements stated within the Statement of Work and, if applicable, the accounts have been systematically returned on the ED Collections System before the Contractor will be eligible to be paid the administrative resolution fee.

B.7 Invoice/Voucher Procedures

- A. Payments under this task order are based on data maintained in ED's systems. Each month, the Government will prepare and send an invoice to the Contractor. The Government will also send detailed documentation supporting the amounts on the invoice. The Contractor

shall review these materials and return the invoice via e-mail in order to be paid for products and/or services rendered under this Task Order. (The Contractor should only e-mail the primary invoice, not the supporting detail, which is already collected and maintained by the COR.) The parties agree that the e-mail message returning the invoice to ED will constitute an electronic signature indicating the Contractor's approval of the invoice.

If the Contractor does not agree with any part of the invoice, the Contractor shall immediately notify the Government at the invoice correction contact point indicated by the Government. The Contractor shall not make any changes to the invoice (except that the Contractor may add the invoice or voucher number as indicated below.). If changes are needed, the Government will send the Contractor a corrected invoice.

Federal Student Aid's "designated billing office" is:

US Department of Education
Union Center Plaza
Federal Student Aid Administration
830 First Street, N.E. Suite 54B1
Washington, D.C. 20202-0001
E-mail: InvoiceAdmin@ed.gov

The Contractor shall e-mail the invoice to InvoiceAdmin@ed.gov, with "cc" copies to the Contract Specialist and the COR.

B. The Contractor is responsible for ensuring that the invoice meets the requirements for a "proper" invoice." Normally, the Government will enter the information required on the invoice. The Contractor is responsible for ensuring the accuracy and completeness of the information. At a minimum the following items must be addressed in order for the invoice to be considered "proper" for payment:

- (1) Name and address of the Contractor.
- (2) Invoice or voucher number. The Invoice or voucher number must be in the format AG###-YEAR-MO, where:
 - i. "AG###" is the agency number (e.g., AG555) that FSA has assigned to the Contractor for this Task Order.
 - ii. "YEAR" is the four-digit year (e.g., "2010" for the invoice covering services provided in September 2010)
 - iii. "MO" is the one or two-digit code for the month covered by the invoice (e.g., "9" for the invoice covering services provided in September).
- (3) Invoice Date.
- (4) The Task Order number must be included on the invoice and be correct.
- (5) Description, quantity, unit of measure, unit price, and extended price of the item delivered must agree with the contract or order.

- (6) Terms of any prompt payment discount offered.
- (7) Name, title, and phone number of persons to be notified in event of defective invoice.
- (8) The period of time covered by the invoice.

(End of Section B)

SECTION C - DESCRIPTION/SPECIFICATIONS/WORK STATEMENT

C.1 SCOPE OF ORDER

See Statement of Work, Attachment A.

C.2 SUBCONTRACTORS AND THIRD PARTIES

C.2.1 Flowdown provisions

The Contractor shall ensure that subcontracts include flowdown provisions where required by clauses incorporated into this Task Order or into the Contractor's GSA schedule contract. Any subcontract under which the subcontractor will have access to ED data or systems must include provisions incorporating the requirements of Statement of Work subsection 6.2 Security Requirements and clauses H.11 Privacy Act, H.12 Security Clearance and User ID Requests, and H.13 Removal from Project Access.

C.2.2 Consent to Subcontract

If the Contracting Officer provides consent to subcontract, the consent does not constitute an approval of a contract agreement with a subcontractor, nor does it require the Prime contractor to issue the subcontract.

Prior to releasing any data protected by the Privacy Act to a subcontractor (or any third party) the Contractor shall provide to the Government a copy of the subcontract or other documentation demonstrating that the Contractor has met the requirements of paragraph C.2.1 of this clause. The Contractor shall provide a copy of this documentation to the Contract Specialist and Contracting Officer's Representative (COR). The Contractor must obtain the Contracting Officer's consent to proceed before releasing any data protected by the Privacy Act to a subcontractor. The Contractor may request this consent prior to execution of the proposed subcontract.

(End of Section C)

SECTION D - PACKAGING AND MARKING

D.1 (Not Applicable to this order)

(End of Section D)

SECTION E – INSPECTION AND ACCEPTANCE

E.1 ONSITE INSPECTIONS

The Government reserves the right to make periodic, unannounced site inspections of the Contractor's offices and any subcontractor offices(s). The purpose of these inspections shall be to assess contractor performance, particularly in the areas of adherence to the task order requirements and applicable legislation, and the security of records.

(End of Section E)

SECTION F – DELIVERIES OR PERFORMANCES

F.1 PERIOD OF PERFORMANCE

The full period of performance of this Task Order consists of a base period of performance (during which the Government may transfer accounts to the Contractor) and an in-repayment retention period during which the Contractor may continue to work on accounts it retains.

- (a) **Primary Period of Performance**—The base period of performance of this Task Order will run from date of award through March 31, 2011. The Government may extend the primary period of performance by exercise of an option in accordance with the clause entitled “Option to Extend the Term of the Task Order” or the clause entitled “Option to Extend Services”, (See Section H). The Government may make periodic transfers of accounts at any time during the primary period of performance of the Task Order, including any option periods.
- (b) **In-Repayment Retention Period**—Upon expiration of the period of performance of this Task Order, the in-repayment retention period will begin. If the Government exercises one or more option periods, the in-repayment retention period shall begin subsequent to the last option period exercised.
 - 1) The in-repayment retention period will run for twenty-four (24) months, except that upon return, recall or transfer of all accounts from this Task Order, the in-repayment retention period will end. During the in-repayment retention period, the Contractor may retain, except as provided in paragraph (d) below, accounts that remain in repayment in accordance with the SOW. No transfer of accounts to the Contractor will occur during the in-repayment retention period.
 - 2) **Prior Private Collection Agency (PCA) task orders**—If the Contractor holds a prior task order (e.g. one awarded in the year 2004) with ED for debt collection services, at any time during the in-repayment retention period of that prior task order, ED may transfer any or all accounts from that prior task order to this Task Order. Accounts transferred under this provision are subject to the prices and terms of this Task Order, except that the transferred accounts would *not* be included in the Competitive Performance and Continuous Surveillance (CPCS) performance indicators.
 - 3) **Subsequent PCA task orders**—If the Contractor enters into a subsequent task order or contract with ED for debt collection services, at any time during the in-repayment retention period of this Task Order, ED may transfer any or all accounts from this Task Order to the new task order or contract. Accounts transferred under this provision will be subject to the prices and terms of the task order or contract to which the accounts are transferred.

F.2 TRANSFER OF ACCOUNTS

Accounts shall be transferred to the Contractor throughout the primary period of performance of this Task Order in accordance with the Statement of Work. At the expiration of full period of performance of the Task Order, all Government accounts and associated data in the Contractor's possession shall be returned to the Government, and commissions on eligible dollars collected shall cease.

(End of Section F)

SECTION G – TASK ORDER ADMINISTRATION DATA

G.1 ACCOUNTING AND APPROPRIATION DATA

Accounting and appropriation data for obligations under the task order will be set forth.

G.2 GOVERNMENT POINTS OF CONTACT

The following describes the roles and responsibility of individuals who will be the primary points of contact for the Government on matters regarding contract administration as well as other administrative information. The Government reserves the right to unilaterally change any of these individual assignments at anytime. The base mailing address for Federal Student Aid is constant except for suite numbers.

U.S. Department of Education
Federal Student Aid
Union Center Plaza
Suite # (see table below)
830 First Street, NE
Washington, DC 20202-5405

GOVERNMENT POINTS OF CONTACT – CONTRACT LEVEL				
Title	Name	Phone (Office & Cell)	Email (first.last@ed.gov)	Suite #
Contracting Officer	Michael Whisler	(O) 202 - 377-3450 (C) 202 - 420-8295	Mike.Whisler@ed.gov	91J4
Contract Specialist	Dominique Bataille	(O) 202 - 377-3459	Dominique.Bataille@ed.gov	91C1
Program Mgr	Dwight Vigna	(O) 202 - 377-3436	Dwight.Vigna@ed.gov	41F2
Contracting Officer's Representative				
Assistant Contracting Officer's Representative				

Written communications shall make reference to the contract number and task order number and shall be mailed to the above address.

G.3 CONTRACTING OFFICER (CO)

The Contracting Officer (CO) identified in Section G.2 has the overall responsibility for the administration of these Task Orders. The CO, without right of delegation, is the only individual authorized to take actions on behalf of the Government to amend, modify or deviate from the contract terms, conditions, requirements, specifications, details and/or delivery schedules. The CO may delegate certain specific responsibilities to its authorized representative - the Contracting Officer's Representative (COR). The Contracting Officer is responsible for overall administration and the final closeout of the contract, and when necessary, shall:

- (a) Provide scope oversight;
- (b) Serve as liaison between the Contractor and the Department;
- (c) Assist in expediting orders;
- (d) Ensure compliance with contract requirements;
- (e) Issue the Contracting Officer's final decision and handle all contract-level contractual disputes under the Contract Disputes Act; and
- (f) Place all contract modifications against the Contract.

G.4 CONTRACTING OFFICER'S REPRESENTATIVE (COR)

- (a) The Contracting Officer may have several representatives to assist in the monitoring and administering the task orders. The Contracting Officer's Representative (COR) is responsible for the technical aspects of the contract or the specific task order, acting as the technical liaison with the Contractor and any other responsibilities that are specified in the contract or the specific task order.
- (b) The COR duties include but are not limited to:
 - (1) Monitor and assure that the contractor performs the technical requirements of the contract;
 - (2) Communicate technical direction to the contractor;
 - (3) Review, evaluate, and comment on any aspect of the contract and its performance to include problem areas, quotes, and technical issues, and to make written recommendations to the CO;
 - (4) Preparing technical evaluations to support determinations that requested changes are not outside the scope of the contract;
 - (5) Assist the CO in analyzing a claim, recommend settlement position, and participate in the resolution process;
 - (6) Coordinate site entry for contractor/government personnel as appropriate;
 - (7) Prepare monthly performance evaluations in accordance with the contract Quality Assurance Surveillance Plan (QASP);
 - (8) Advise the CO at the completion of the contract, as to receipt of all items, services, and reports required under the contract, and the compliance with all contract provisions;
 - (9) Provide advice and assistance to the CO in those areas of contract administration that are not specifically covered in this designation.

- (c) The COR is not authorized to make any commitments or otherwise obligate the Government or authorize any change which affect the contract price, terms or conditions. The COR does not have authority to act as agent of the Government under this contract. Any Contractor requests for changes shall be submitted in writing directly to the Contracting Officer with a copy to the COR. No such changes shall be made without the written authorization of the Contracting Officer. Only the Contracting Officer has authority to direct or negotiate any changes in the statement of work; modify or extend the period of performance, change the delivery schedule, authorize reimbursement to the Contractor any costs incurred during the performance of this contract or otherwise change any terms and conditions of this contract or accept/reject deliverables.
- (d) The COR may be changed by the Government at any time, notification of the change, including the name and address of the successor COR, will be provided to the Contractor by the Contracting Officer in writing.

G.5 EDAR 3452.243-70 KEY PERSONNEL (AUG 1987) (TAILORED)

The personnel designated as key personnel in this Performance-Based Firm Fixed Price task orders are considered to be essential to the work being performed hereunder. This clause and its requirements shall expire exactly one (1) year after the date of contract award.

- (a) Prior to diverting any of the specified individuals to other programs, or otherwise substituting any other personnel for specified personnel, the contractor shall notify the contracting officer in writing, in advance and shall submit justification (including proposed substitutions) in sufficient detail to permit evaluation of the impact on the contract effort. No diversion or substitution shall be made by the contractor without written consent of the contracting officer; provided, that the contracting officer may ratify a diversion or substitution in writing and that ratification shall constitute the consent of the contracting officer required by this clause. The contractor shall be modified to reflect that addition or deletion personnel.

Such notification shall include:

- (1) An explanation of the circumstances necessitating the substitution;
 - (2) A complete résumé of the proposed substitute; and
 - (3) Any other information requested by the CO to enable him/her to judge whether or not the Contractor is maintaining the same high quality of personnel that provided the partial basis for award.
- (b) The CO will evaluate such requests and promptly notify the Contractor of his/her approval or disapproval in writing. All disapprovals will require resubmission of another substitution within 15 calendar days by the Contractor.
- (c) Designated Key Personnel

The following Contractor personnel are designated as key for the task order:

[Name phone, and email address and contact info of key personnel from offeror's quote to be inserted at time of award.]

G.6 CONTRACT ADMINISTRATOR

Promptly upon award of this task order, the Contractor shall designate one individual as the contract administrator for this order and provide the name, address, phone, fax and e-mail address to the Contracting Officer, Contract Specialist, COR and the Assistant COR. The Contractor shall promptly notify the Contracting Officer, Contract Specialist, COR and the Assistant COR whenever this information changes.

(End of Section G)

SECTION H – SPECIAL TASK ORDER REQUIREMENTS

H.1 FAR 52.217-9, OPTION TO EXTEND THE TERM OF THE TASK ORDER (Mar 2000) TAILORED

- (a) The Government may extend the term of this Task Order by written notice to the Contractor prior to expiration of the primary period of performance of the Task Order, provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least 60 days before the Task Order period of performance expires. The preliminary notice does not commit the Government to an extension.
- (b) If the Government exercises this option, the extended Task Order shall be considered to include this option clause.
- (c) The total duration of the primary period of performance of this Task Order, including the exercise of any options under this clause, shall not exceed 60 months from the date of contract award.
- (d) The Government may, at its discretion, exercise option periods of up to 24 months, providing that the total task order period of performance does not exceed 60 months from the date of award.

If the Government exercises one or more option periods, the 24-month In-Repayment Retention Period will begin subsequent to the last option exercised.

H.2 OPTION FOR INCREASED QUANTITY

The Government may unilaterally increase the quantity of accounts transferred to the Contractor by any amount at the prices specified within Section B, "Pricing Schedule", at any time during the task order period of performance.

H.3 FAR Clause 52.217-8, OPTION TO EXTEND SERVICES (Nov 1999)

The Government may require continued performance of any services within the limits and at the rates specified in the Task Order. These rates may be adjusted only as a result of revisions to prevailing labor rates provided by the Secretary of Labor. This option provision may be exercised more than once, but the total extension of performance hereunder shall not exceed 6 months. The Contracting Officer may exercise the option by written notice to the Contractor prior to expiration of the period of performance of the Task Order.

H.4 AWARD TERM EXTENSION

In addition to the period of performance stated in Clause F.1 and any options terms exercised pursuant to clause H.1, the Contractor may earn performance extensions (hereinafter called "award terms"), based upon the quality of performance during the evaluation periods. If the Contractor has an average CPCS rating of 75 or greater over the life of the Task Order, or the last 12 CPCS periods (whichever is shorter), the Government may, award the Contractor an award-term extension in accordance with the terms of this clause in recognition of the Contractor's excellent or better quality performance.

- (a) Award-term extensions are subject to the following conditions:
 - i. Funds are available;
 - ii. The requirement covered by the award-term fulfills an existing Government need;
 - iii. The contractor accepts the Government's target pricing and terms.
- (b) It is the Government's intent to time any award-term extension so that the extension period will coincide with the award date of the next round of task orders. Accordingly, the Contracting Officer may, determine whether to award an award-term extension at any time after completion of the option period of the Task Order.
- (c) The Contracting Officer may award an award-term extension under this clause by providing a written notice to the Contractor prior to expiration of the period of performance of the Task Order, provided that the Government gives the Contractor a preliminary written notice of its intent to extend at least 60 days before the Task Order period of performance expires. The preliminary notice does not commit the Government to an extension.
- (d) Decisions regarding the award term are not subject to the Disputes Clause or review by any authority above the Contracting Officer.
- (e) Any award-term extension under this clause will be executed in the form of a new task order issued by the Contracting Officer under the Contractor's then current GSA schedule contract.
 - i. The award-term task order extension will be subject to the terms and conditions of the existing task orders, including any extension thereto.
 - ii. The effective date of the award-term task order extension may be timed to coincide with the award date of the next round of PCA task orders.
 - iii. The Government target prices for the current PCA task orders will apply to the award-term extension.
 - iv. If the Contractor is a small business at the time the Contracting Officer issues the award-term task order extension, the Contractor will become part of the new small business pool. Otherwise, the Contractor will be included in the new unrestricted pool.
 - v. A new CPCS record will be established for the award-term extension to track the Contractors' performance in then new CPCS pool.
 - vi. The Government may transfer any remaining accounts held by the Contractor under this Task Order to the award-term new task order, in accordance with provisions in this Task Order and the award-term task order.

H.5 CONTRACTOR PERFORMANCE EVALUATION

- (a) The Competitive Performance and Continuous Surveillance (CPCS), an in-depth evaluation, shall be conducted to determine the adequacy of the contractors' performance on all accounts transferred. CPCS will utilize two separate PCA pools for determining contractor standing. PCAs that received Task Order awards under the small business competition (and have not subsequently transferred to the unrestricted pool) will be in the small business pool. All other PCA contractors will be in the "unrestricted" pool.

- (b) Approximately nine months after the first placement of accounts, the Government shall conduct the first CPCS to measure the relative performance of each PCA contractor during the CPCS surveillance period. This first CPCS surveillance period will run from the first placement of accounts through September 30, 2009. Subsequent CPCS evaluations will be conducted quarterly.
- (c) Each contractor that achieves the highest ranking in one of the three primary performance indicators: Dollars Collected, Accounts Serviced and Administrative Resolutions will receive the total potential points for the respective performance indicator. The points assigned to the remaining contractors for the three performance indicators will be based on the relative percentage each contractor is behind the lead contractor.
- (d) Bonus payments and transfers of new accounts shall be based upon each contractor's total CPCS score. The contractors with the top two or three CPCS scores will receive bonus payments on dollars collected during the evaluation period as described in Section H.6.

A contractor's most recent CPCS score will be applicable for all transfers until the completion of the next regular CPCS.

- (e) The Government will evaluate PCA contractors using the following performance indicators, except as changed in accordance with paragraph (f) of this clause. (All indicators will be measured at two decimal places):

- (1) **PERFORMANCE INDICATOR #1: DOLLARS COLLECTED PERCENTAGE - 70 Points.** The Dollars Collected Percentage will be calculated based upon the following formulas:

Formula #1:

DOLLARS COLLECTED FOR THE GOVERNMENT (DC) –DC is the gross amount the Government realizes before the contractor's commissions have been subtracted from the dollars collected. Dollars collected are defined as regular collections, administrative wage garnishment payments, and the final sale and transfer value of all debts rehabilitated.

Example:

- CA's regular collections and administrative wage garnishment payments sum to \$3,500,000 for the three (3) month period.
- CA's final sale of all debts rehabilitated totaled \$2,500,000 for the three (3) month period.
- Dollars Collected for the Government is \$6,000,000. (\$3,500,000 plus \$2,500,000).

Formula #2:

CURRENT INVENTORY BALANCE (CIB)—CIB is the beginning balance of all accounts held by the Contractor at the end of the previous CPCS period. (The Government will assign a fixed CIB for the first CPCS surveillance period.) The inventory balance is comprised of principal, interest and fees. Projected collection costs are not included.

Example:

- Contractor A's ending inventory for Month 3 of the previous CPCS period is \$250,000,000 and 60,000 accounts.

- For the CPCS surveillance period, the current inventory balance (CIB) is \$200,000,000 and the current inventory of accounts (CIA) is 60,000.

CURRENT INVENTORY OF ACCOUNTS (CIA)—CIA is the same as CIB, except accounts, instead of dollars, are measured.

Formula #3:

AVERAGE INVENTORY BALANCE (AIB)—AIB is the average (mean) CIB from the four most recent CPCS surveillance periods. For the first three CPCS surveillance periods, the AIB will be the average of the CIB from the current and all previous CPCS surveillance periods. The inventory balance is comprised of principal, interest and fees. Projected collection costs are not included.

Example:

- Contractor A's CIB for
 - CPCS period #3 is \$200,000,000
 - CPCS period #4 is \$233,000,000
 - CPCS period #5 is \$242,000,000
 - CPCS period #6 is \$248,000,000
- For CPCS period #6, the average inventory balance (AIB) is \$230,750,000

Formula #4:

DOLLARS COLLECTED PERCENTAGE (DCP)—DCP is a percentage determined by dividing DC by AIB, (DC/AIB).

Example:

- a. There are only two contractors in competition.
- b. The DCP following the preceding examples would be:
- c. DC of \$6,000, 000 divided by AIB of \$230,750,000 equals DCP: 2.60%
- d. Contractor B's DC is \$6,250,000 and its AIB is \$250,000,000.
- e. Contractor B achieves a DCP of 2.50%.
- f. Contractor A achieves the highest DCP during the surveillance period of 2.60%
- g. For Performance Indicator #1, Contractor A will be awarded the full 70 points while Contractor B will be awarded 67.31 points. $[(2.50 / 2.60) \times 70]$.

(2) PERFORMANCE INDICATOR #2: ACCOUNT SERVICING PERCENTAGE (ASP) - 20 Points.

ASP is the proportion of the sum of the net number of:

- a. Accounts approved, and if required returned, for administrative resolution (only one administration resolution is counted in CPCS per *account* resolved), and
- b. Accounts that had payments received during the CPCS surveillance period.

The ASP would be calculated as follows:

- a. Contractor A submitted and was approved for 1,500 litigation accounts, returned and approved for 500 non-cash account resolutions, and received payments on 3,250 accounts. Total accounts serviced sum to 5,250. The contractor's CIA is 50,000. ASP is 5,250 divided by 50,000 or 10.50%.
- b. Contractor B submitted and was approved for 750 litigation accounts, returned and approved for 250 non-cash account resolutions, and received payments on 2,000 accounts. The total accounts serviced sum to 3,000. The contractor's CIA is 60,000. ASP is 3,000 divided by 60,000 or 5.0%.
- c. For Performance Indicator #2, since Contractor A has the best ASP, Contractor A will be awarded the full 20 points. Contractor B will be awarded 9.52 points. $((5.0/10.50) \times 20)$

(3) PERFORMANCE INDICATOR #3: ADMINISTRATIVE RESOLUTION

PERCENTAGE (ARP) - 10 points. ARP is the proportion of accounts prepared and, if required, returned for non-cash resolution to ED. Only one administration resolution is counted in CPCS per *account* resolved. See preceding example for Performance Indicator #2 for calculation methodology.

(4) SMALL BUSINESS SUBCONTRACTING – A plus or minus range of points. This performance indicator only applies to contractors in the unrestricted pool. This performance indicator will not be used for CPCS period #1 and will not begin until initiated by the Government. At least thirty days before the start of the first CPCS period to which a Small Business Subcontracting measure will apply, the Government shall provide to the Contractor the measurement factors, relative weights, point range, targets, formulas and methodology related to calculation of the Small Business Subcontracting performance indicator.

When implemented, the Small Business Subcontracting performance indicator will measure contractors' small business subcontracting relative to the targets and intent described in subsection H.15(b) of this task order. Contractors will receive plus scores for exceeding targets and will receive minus scores for missing targets. Unlike most other CPCS performance indicators, the rating for Small Business Subcontracting may be based on performance during the previous CPCS surveillance period(s).

Similar to the other CPCS performance indicators, the top SQ performer will receive the full points available (The point range for Small Business Subcontracting will be as established by the Government, but will not be greater than +5 to -5).

The Government may eventually incorporate the Small Business Subcontracting performance indicator into the Service Quality performance indicator.

(5) SERVICE QUALITY (SQ) – A plus or minus range of points. The Government may measure a variety of mostly objective factors that contribute to the quality of service provided to ED and its borrowers. These factors may include accuracy and completeness, rejections, bounced checks, customer satisfaction or other factors. In addition, the Government may, at its discretion, incorporate the Small Business Subcontracting performance indicator into the SQ performance indicator.

Unlike most other CPCS performance indicators, the SQ rating may be based on performance during the previous CPCS surveillance period(s). The Government does not plan to apply an SQ measurement at the start of the task order. Prior to the first account transfer to which an SQ measure will apply, the Government shall provide to the Contractor the measurement factors, relative weights, point range, targets, formulas and methodology related to calculation of the Service Quality performance indicator.

- (f) The Government reserves the right to change any aspects of the CPCS, including but not limited to the formulas, relative weights assigned to performance indicators, point ranges, possible exclusion of specified types of administrative resolutions from either the ASP or the APR, or the frequency or methodology of calculation. The Government shall give written notice to the Contractor at least thirty days before the start of the first CPCS period affected by a change to any aspect of CPCS set forth elsewhere in this clause.

H.6 SPECIAL TASK ORDER BONUS PAYMENT PLAN

- (a) **Bonus Incentives**—The top performers under these task orders set the standards by which all PCA contractors are measured. These high standards help drive better performance by all PCA contractors under the task orders. The purpose of the bonus payment plan is to incentivize all contractors and to reward the contractors that provide the best performance under the task orders.
- (b) **Ties**—For purposes of earning bonus payments, Private Collection Agency (PCA) contractors with CPCS scores that are within one half ($\frac{1}{2}$) point of each other will be considered to be in a tie. If two or more PCA contractors finish in a tie within their respective pool, the Government will pay the bonus percentage to each contractor. If two PCA contractors finish in a tie for first place, the next highest ranked PCA will remain in third place.
- (c) **CPCS Scores**—All bonuses under this clause are based on the Contractor's performance as measured by CPCS. Notwithstanding any other terms of this Task Order, the contractor may not receive a bonus payment if its CPCS score applicable to that bonus is less than 65 points.
- (d) **Base for Bonus Percentages**—The bonus payment will be applied to the dollars collected by the Contractor. For bonus payment purposes, dollars collected are defined as regular collections, administrative wage garnishment payments and the final sale of all FFEL debts rehabilitated. *No bonus will be applied to the transfer value of Direct Loan Program Rehabilitations.*
- (e) **Initial CPCS Ranking**—As described in Clause H.5, Contractor Performance Evaluation, the first CPCS surveillance period will run from the first placement of accounts through September 30, 2009. At the end of the first CPCS period, the top three (3) contractors in the unrestricted pool will be paid the bonus payment for that quarterly surveillance period. The bonus payment plan will be based upon the following scale:

Competitive Performance & Continuous
Surveillance (CPCS) Ranking

Bonus

First	5%
Second	3%
Third	1%

For the contractors in the small business pool, the top two (2) contractors will be paid the bonus payment for that quarterly CPCS surveillance period. The bonus payment plan will be based upon the following scale:

Competitive Performance & Continuous

<u>Surveillance (CPCS) Ranking</u>	<u>Bonus</u>
First	5%
Second	3%

No Long-Term bonus will be paid on the initial CPCS surveillance period.

- (f) **Long-Term CPCS Bonus**— Beginning with the second CPCS surveillance period and continuing through the base period of this Task Order, the long-term CPCS ranking will be based on the combined totals from all CPCS performance periods over the life of the task order. Beginning with the first CPCS period of the first option term of the Task Order, the “Long-Term” CPCS ranking will be based on the combined totals for the last seven (7) CPCS periods (i.e., 21 months). For this calculation the top three (3) contractors in the unrestricted pool will be paid a bonus on dollars collected for the most recently completed quarterly CPCS surveillance period based upon the following scale:

Competitive Performance & Continuous

<u>Surveillance (CPCS) Ranking</u>	<u>Bonus</u>
First	5%
Second	3%
Third	1%

For the contractors in the small business pool, the top two (2) contractors will be paid the bonus payment for that quarterly CPCS surveillance period. The Long-Term bonus payment plan will be based upon the following scale:

Competitive Performance & Continuous

<u>Surveillance (CPCS) Ranking</u>	<u>Bonus</u>
First	5%
Second	3%

- (g) **Quarterly CPCS Bonus**— Beginning with the second CPCS surveillance period, will be based on contractors’ performance during the quarterly CPCS surveillance period. The top three (3) contractors in the unrestricted pool will be paid the bonus payment for that quarterly CPCS surveillance period. The bonus payment plan will be based upon the following scale:

Competitive Performance & Continuous

<u>Surveillance (CPCS) Ranking</u>	<u>Bonus</u>
First	3%
Second	2%
Third	1%

For the contractors in the small business pool, the top two (2) contractors will be paid the bonus payment for that quarterly surveillance period. The bonus payment plan will be based upon the following scale:

Competitive Performance & Continuous

<u>Surveillance (CPCS) Ranking</u>	<u>Bonus</u>
First	3%
Second	2%

- (h) **Maximum Bonus Payments**—No contractor may earn more than 6% in combined bonuses during any CPCS surveillance period. The top performer on the Long-Term CPCS ranking will only be eligible for an additional 1% bonus regardless of its ranking on the “Quarterly” CPCS. The second place agency on the Long-Term CPCS ranking may not earn more than 5% in combined bonuses during any CPCS period. The second place agency on the Long-Term CPCS ranking will only be eligible for an additional 2% bonus if it finishes first on the “Quarterly” CPCS, and only 1% for a second or third place finish. All other agencies will be eligible for the full amount of the listed “Quarterly” CPCS bonuses. Thus, the maximum percentage a PCA in the unrestricted pool may receive in combined bonuses during any CPCS surveillance period is:

Contractor's Long-Term Ranking	#1	#2	#3	below #3
#1	6%	6%	6%	5%
#2	5%	4%	4%	3%
#3	4%	3%	2%	1%
Below #3	3%	2%	1%	0%

The maximum percentage a PCA in the small business pool may receive in combined bonuses during any CPCS surveillance period is:

Contractor's Long-Term Ranking	#1	#2	below #2
#1	6%	6%	5%
#2	5%	4%	3%
Below #2	3%	2%	0%

H.7 CPCS STANDING AND PERFORMANCE RANGE

- (a) The CPCS performance range is defined as Scoring 55 or more points on an individual CPCS.
- (b) A finish within the CPCS performance range does not assure that the Contractor will receive a task order extension under the option clause or any other provisions of this Task Order. Decisions to extend the task orders will be based on a total range of issues, completely within ED's discretion.
- (c) Other factors being equal, for purposes of this Task Order, the Government considers CPCS scores:
 - 1. Of 85 or higher to be an indicator of Outstanding performance;
 - 2. From 75 up to 85 to be an indicator of Excellent performance;
 - 3. From 65 up to 75 to be an indicator of Good performance;
 - 4. From 55 up to 65 to be an indicator of Average performance;
 - 5. From 45 up to 55 to be an indicator of Below Average performance; and
 - 6. Below 45 to be an indicator of Poor performance.

These adjectival ratings are intended to serve as convenient groupings and reverences within the context of these Task Orders and the contractor's PCA pool. They do not necessarily reflect past performance ratings that the contractor would receive either under this Task Order or for any future procurement. The Government may consider other factors, including but not limited to complaints, small business subcontracting, security risks or violations, computer system inadequacies, or deficiencies in procedures, quality control or training.

H.8 SMALL BUSINESS MENTORING

- (a) A contractor that receives an award under the small business shall promptly establish a relationship with a mentor from among the large business PCA contractors. (The Contracting Officer may waive this requirement upon request of a small business, if the small business provides evidence that mentoring assistance is unnecessary.) Within 30 days of contract award, the small business contractor shall send a notice to the Contract Specialist and the Contracting Officer's Representative indicating the name of the mentor selected. A small business may only change its mentor with the prior written authorization of the Contracting Officer. If the small business contractor is unable to locate a suitable large business mentor within 30 days of Task Order award, ED will try to facilitate an arrangement. ED may assign a large business mentor to a small business, if the Contracting Officer determines such action appropriate to the circumstances.
- (b) Experienced large business PCA contractors are encouraged to enter into mentoring relationships with a small business PCA contractor. ED reserves the right to require the large business contractor to establish a mentoring arrangement with a designated small business PCA contractor, if the Contracting Officer determines such action appropriate to the circumstances.

- (c) The mentoring may include loans or gifts of technology or other resources, training or transfers of employees between companies or other arrangements agreeable to both parties. The mentoring may not include direct financial support, such as loans of capital from the large business to the small business or stock or bond purchases. However, it not the intent of this clause to restrict a small businesses access to financing outside of the mentoring process. For example, ED would not object to a small business obtaining a loan from a financial institution that customarily makes business loans, even if the financial institution also owned a controlling interest in the small businesses PCA mentor contractor.
- (d) While it is ED's intent to be flexible in allowing mentoring arrangements that will promote successful task order performance by both parties, no deviations from the SOW or other Task Order provisions will be allowed without the Contracting Officer's approval. Mentoring arrangements may not give, nor contain provisions that would potentially give, the large business a control (as defined in FAR 19.101 Explanation of terms.) in the small business contractor or one of its small business team partners.
- (e) To encourage meaningful mentoring support, ED will provide bonus payment awards to the large business mentor based on the competitive performance of the small business contractor. (I.e., if the small business earns a performance bonus, its mentor will be rewarded with a bonus payment.) During the base period of the task orders, the large business mentor will receive a bonus equal to the bonus earned by the small business. During the first two option periods, the large business mentor will receive a bonus equal to half the bonus earned by the small business. No mentoring bonuses will be paid after the second option period. ED reserves the right to adjust bonus payment awards.
- (f) For purposes of this clause, ED will recognize only one mentoring relationship under a task order. Although nothing in this clause is intended to prohibit additional mentoring relationships, ED will pay a mentoring bonus to only one large business mentor for each small business contractor. Similarly, ED will not pay a large business a bonus for mentoring more than one small business contractor.

H.9 ORGANIZATIONAL LIMIT ON TASK ORDERS

- (a) The Government intends to award more than one task order as a result of this solicitation. More than one award from this solicitation will be made to small business concerns.
- (b) No organization, including any affiliate, division or parent of the organization, may receive or hold more than one task order resulting from this solicitation. For purposes of this clause, task orders in both the small business and the unrestricted pools are considered to have resulted from the same solicitation. Thus, this restriction prohibits an organization from receiving or holding task orders under both the small business pool and the unrestricted pool or within a single pool.
- (c) If, after award, one organization that holds a task order under this solicitation, purchases, merges with or otherwise enters into an affiliation with another organization that also held a task order as a result of this solicitation, only one task order will remain in effect. The Contractor may choose which task order will continue. If the Contractor does not choose or if there is disagreement or ambiguity, the Contracting Officer will determine which task order will continue. The continuing Contractor may choose either to have ED:

- 1.) Recall all accounts (including those in repayment) from the expiring task order within sixty days of the effective date of the sales or merger transaction; or
 - 2.) Transfer all accounts (including that not in repayment) to the continuing task order within sixty days of the effective date of the sales or merger transaction. All transferred accounts would be included in performance indicators for the continuing task order.
- (d) No organization may participate in more than one task order—whether as an awardee, a member of a team arrangement or as a subcontractor—to the extent that it would in essence be competing against itself, as determined by the Contracting Officer. ED does not intend to approve a subcontract or team arrangement that would allow an organization to essentially compete against itself. The Contracting Officer may waive this restriction if the subcontract or team arrangement is:
1. Part of a mentoring relationship;
 2. With an organization whose purpose is to provide employment for persons with disabilities; or
 3. Of such special benefit to the public or the Federal Government that the Contracting Officer determines in writing that that it is in the best interests of the Federal Government to waive the restriction.
- (e) ED does not consider a small business contracting with one or more large businesses to be essentially competing with itself. Thus, the subcontracting restriction in paragraph (d) of this clause does not apply to:
1. A small business that subcontracts to more than one contractor in the unrestricted pool, nor
 2. A contractor in the small business pool that subcontracts to one or more contractors in the unrestricted pool.

H.10 CANCELLATION OF TASK ORDERS

The Government reserves the right to recall all accounts and cancel the Task Order if the Contracting Officer determines that the Contractor has performed poorly or fails to perform under the terms of the order. Any contractor that finishes below the CPCS performance range on three (3) consecutive CPCS rating periods is deemed to have performed so poorly that its task order is in jeopardy of being cancelled. However, a finish within the CPCS performance range does not preclude cancellation of a task order for poor performance. The Government may consider other factors including but not limited to complaints, small business subcontracting, security risks or violations, computer system inadequacies, or deficiencies in procedures, quality control or training.

H.11 PRIVACY ACT

The clauses at FAR 52.224-1 (APRIL 1984) entitled “Privacy Act Notification” and FAR 52.224-2 (APRIL 1984) entitled “Privacy Act” are incorporated herein by reference.

H.12 SECURITY CLEARANCE AND USER ID REQUESTS

Contractor staff proposed to perform work under this task order shall be subject to ED investigation criteria. Contractor staff working without a final clearance does so on a conditional basis while obtaining the required clearance. The ED investigation includes, at a minimum, the following items:

- Investigation of criminal record
- Reference checks
- Check for defaulted student loans
- Security clearances

The U.S. Department of Education Contractor Employee Personnel Security Screenings Policy defines security levels. ED assigns the security level appropriate for each labor category, commensurate with the duties and system access of the position. The security level also dictates when new or replacement staff may begin to perform work under this task order relative to the submission of the security clearance paperwork. The security levels and work rules include:

High Risk (Level 6C) – An employee cannot assume high-risk positional duties until the security investigation is completed and approved by ED. A waiver option is available, on approval by the OM Computer Security Officer (CSO) and ED's ADP Security Oversight Staff. Employees selected for these positions can work in a lower-level position until the clearance is approved.

Moderate Risk (Level 5C) – An employee can start working moderate risk positional duties upon submission of the security clearance paperwork to the OM CSO through the COTR.

Low Risk (Level 1C) – An employee can start working low risk positional duties upon submission of the security clearance paperwork to the OM CSO through the COTR.

The Contractor shall:

Ensure, at the Project Manager level, that the security clearance and User ID paperwork required by ED is accurately and thoroughly completed and submitted to ED no later than with the submission of a resume for additional or replacement personnel.

Obtain its supply of security clearance forms directly from the OM CSO.

Reproduce as needed the ED/CCF User ID request form (88-01) for this specific project.

Remove any individual from their position for whom ED disapproves and withdraws their clearance and immediately revoke their access to all ED systems.

Clearance Submission Guidelines

The Contractor shall submit security paperwork for any position requiring an ED clearance based on the ED Information Technology Security Manual and the guidelines contained herein. Table 1 details the forms that contractor staff shall complete to request processing of a security clearance.

<u>Form</u>	<u>Title</u>	<u>Copies</u>	<u>High Risk</u>	<u>Moderate Risk</u>	<u>Low Risk</u>
<u>SF-306</u>	<u>Federal Employment Form (as Used for background check, Application for Federal Employment (Rev. 6-88); Complete items 6, 17, 29, 25-28, 36, 38-44, 45 if applicable</u>	<u>2</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>SF-85P</u>	<u>Questionnaire for Public Trust Positions (Rev. Sept 1995)</u>	<u>2</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>FD-258</u>	<u>Fingerprint Card</u>	<u>1 original</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>SF-85</u>	<u>Questionnaire for Non-Sensitive Positions (Rev. Sept 1995)</u>	<u>2</u>			<u>X</u>

Table 1. Clearance Forms Required for Positions

In the submission of security clearance paperwork, the Contractor shall:

- a. Assure the clearance level sought for the employee is based upon the criteria established by ED
- b. Assure that the employee completes the proper forms, as detailed in Table 1 as follows:
 - i. Employees without a clearance must complete all required forms.
 - ii. Employees with current or previous clearances must complete additional forms as required to meet all requirements.
- c. For employees with current or previous clearances requiring no additional paperwork:

Complete a memo, on company letterhead with an authorized signature, with the following:

1. Full name
2. Date and place of birth
3. Social Security Number
4. Level of security clearance
5. Employer Name
6. Date of investigation
7. (at time of investigation)
8. Task Order Number
9. Agency completing the investigation

- d. For employees with current or previous clearances requiring additional paperwork, forward the completed additional paperwork to the Contractor's Project Manager. This primarily concerns upgrading to a higher security level.
- e. Ensure that the proper forms are accurate and complete before forwarding the forms in sealed envelopes, through the COR, to the OM CSO.
- f. Notify the employee's manager of the security investigation results.
- g. Remove the employee from performing work under this task order in the event of a clearance denial and revoke all User Ids.
- h. Ensure that no one receives a User ID for any Recipient and Financial Management system(s) component operated outside the ED/CCF until the ED/CCF User ID is approved by the OM CSO and established at the ED/CCF.

H.13 REMOVAL FROM PROJECT ACCESS

When employees are removed from positions, for any reason, the Contractor shall:

- a. Revoke all access authorizations
- b. Retrieve all specific keys and badges
- c. Change the combinations on all locks to which the employee had access
- d. Review the employee's obligations to the organization
- e. Notify appropriate ED security officials of the removal action and request emergency termination of the ED/CCF User ID if appropriate to the cause for removal
- f. Submit, within two (2) workdays, the ED/CCF User ID request form (88-01) to the assigned ADP Systems Manager to cancel the system access.

For all access terminations, the Contractor shall:

- a. Follow the Checklist for Employee Termination
- b. Assure that the departing employee either completes all assigned tasks or briefs the replacement on the requirements and status of ongoing tasks
- c. Determine the employee's access termination date
- d. Immediately notify the assigned ADP Systems Manager(s) if access termination is for cause and request an immediate revocation of access
- e. Complete the Manager's Checklist for Employee Termination and forward the checklist to the Project Manager
- f. Review with the employee their obligation to protect related data
- g. Assure that the employee completes the Access Termination Statement.

The Project Manager shall

- a. Notify ED of the access termination action on the employee
- b. Notify the assigned ADP Systems Managers of the access termination date.

H.14 SMALL BUSINESS SUBCONTRACTING TARGETS AND REPORTS

- (a) This subsection applies only to contractors in the small business pool. For purposes of this subsection, the term “subcontractor” includes members of team arrangements. The Contractor agrees that the total amount of payments to subcontractors and members of a contractor team arrangement that are not small business concerns shall not exceed 20% of task order proceeds (i.e., of payments by the Government to the Contractor). If the Contractor exceeds this limitation, the Contracting Officer shall give the Contractor written notice requiring the Contractor to reduce its use of other-than-small-business subcontractors or team members. If within 6 months of the date of the Contracting Officer’s notice, the Contractor’s payments to subcontractors and team members still exceed the limitation (calculated on a task-order-to-date basis), the Contracting Officer may assess liquidated damages in a manner and amount similar to that described in the clause at I.6, FAR 52.219-16 Liquidated Damages-Subcontracting Plan (Jan 1999).
- (b) This subsection does not apply to contractors in the small business pool. ED seeks to ensure that small business are given meaningful opportunities and collectively receive a substantial portion of the revenue from these task orders. The Contractor agrees to subcontract a substantial portion of the work under this task order to small businesses. By the 20th of each month, the Contractor shall submit to the ED Contract Specialist a subcontracting report (or reports) in the format prescribed by the Contracting Officer or the Contracting Officer’s Representative.

If the Contractor applied small business subcontracting targets to a major subcontractor, ED will allow the Contractor to include second-tier subcontracts to small businesses (i.e. the major subcontractor’s subcontracts) in subcontracting data it reports related to items 1 and 2 below. For purposes of this task order, a major subcontract is defined as one exceeding 10% of contract task order proceeds for the period.

1. ED will include small business subcontracting as part of the CPCS Service Quality measure described in Clause H.5, Contractor Performance Evaluation, of this Task Order. To ensure meaningful subcontract opportunities, ED will give greater weight in CPCS to subcontracts that assign accounts for collection to small businesses. ED’s goal is to ensure that small businesses receive a fair share of revenue under this task order.
2. Small business subcontracts are not restricted to collection efforts. However, to ensure that small businesses have opportunities collecting defaulted students loans, the following targets shall apply to each quarterly CPCS surveillance period:

Placement to a small business subcontractor of at least the following of percentage of accounts transferred to the Contractor that quarter within 5 business days of ED’s transfer of the account to the Contractor.

Percentage of Accounts Assigned

Contract Base Period,	3%
April 2011 through March 2012	5%
April 2012 through March 2013	7%

The target percentages are based on each quarter, not each transfer. For example, a contractor could do all of its small business placements from a single transfer from ED. No target shall apply to the initial CPCS period.

Accounts that the Contactor has selected or culled in a biased manner may not be counted toward the target. However, the Contractor may select accounts for placement if the selection is made for the small business's benefit. For example, a selection of accounts for placement might be based on borrowers located in a geographical area on which the small business focuses.

H.15 GOVERNMENT-FURNISHED COMPUTER FACILITIES

A private contractor provides a Government computer facility. The PCA contractor will have on-line access, Monday through Friday, 8:00 am to 10:00 p.m. eastern time. The system will not be available on Federal holidays. Occasionally, the system may be available on weekends when batch processing permits. The system may also be unavailable during peak processing periods or due to planned or unexpected system outages.

H.16 ED307-17 CONFLICTS OF INTEREST (2007)

(A) The contractor, subcontractor, employee or consultant, has certified that, to the best of their knowledge and belief, there are no relevant facts or circumstances which could give rise to an organizational or personal conflict of interest, (see FAR Subpart 9.5 for organizational conflicts of interest), (or apparent conflict of interest) for the organization or any of its staff, and that the contractor, subcontractor, employee or consultant has disclosed all such relevant information if such a conflict of interest appears to exist to a reasonable person with knowledge of the relevant facts (or if such a person would question the impartiality of the contractor, subcontractor, employee or consultant). Conflicts may arise in the following situations:

1. Unequal access to information – a potential contractor, subcontractor, employee or consultant has access to non-public information through its performance on a government contract.
2. Biased ground rules – a potential contractor, subcontractor, employee or consultant has worked, in one government contract, or program, on the basic structure or ground rules of another government contract,
3. Impaired objectivity – a potential contractor, subcontractor, employee or consultant, or member of their immediate family (spouse, parent or child) has financial or other

interests that would impair, or give the appearance of impairing, impartial judgment in the evaluation of government programs, in offering advice or recommendations to the government, or in providing technical assistance or other services to recipients of Federal funds as part of its contractual responsibility.

- i. "Impaired objectivity" includes but is not limited to the following situations that would cause a reasonable person with knowledge of the relevant facts to question a person's objectivity:
- ii. financial interests or reasonably foreseeable financial interests in or in connection with products, property, or services that may be purchased by an educational agency, a person, organization, or institution in the course of implementing any program administered by the Department;
- iii. significant connections to teaching methodologies that might require or encourage the use of specific products, property or services; or
- iv. significant identification with pedagogical or philosophical viewpoints that might require or encourage the use of a specific curriculum, specific products, property or services,

Offerors must provide the disclosure described above on any actual or potential conflict (or apparent conflict of interest) of interest regardless of their opinion that such a conflict or potential conflict (or apparent conflict of interest) would not impair their objectivity.

In a case in which an actual or potential conflict (or apparent conflict of interest) is disclosed, the Department will take appropriate actions to eliminate or address the actual or potential conflict (or apparent conflict of interest), including but not limited to mitigating or neutralizing the conflict, when appropriate, through such means as ensuring a balance of views, disclosure with the appropriate disclaimers, or by restricting or modifying the work to be performed to avoid or reduce the conflict. In this clause, the term "potential conflict" means reasonably foreseeable conflict of interest.

- (B) The contractor, subcontractor, employee or consultant agrees that if "impaired objectivity, or an actual or potential conflict of interest (or apparent conflict of interest) is discovered after the award is made, it will make a full disclosure in writing to the Contracting Officer. This disclosure shall include a description of actions that the Contractor has taken or proposes to take, after consultation with the Contracting Officer, to avoid, mitigate, or neutralize the actual or potential conflict (or apparent conflict of interest).
- (C) Remedies - The Government may terminate this contract for convenience, in whole or in part, if it deems such termination necessary to avoid the appearance of a conflict of interest. If the Contractor was aware of a potential conflict of interest prior to award or discovered an actual or potential conflict (or apparent conflict of interest) after award and did not disclose or misrepresented relevant information to the Contracting Officer, the Government may terminate the contract for default, or pursue such other remedies as may be permitted by law or this contract. These remedies include imprisonment for up to five years for violation of Title 18, U.S. Code, § 1001 and fines of up to \$5000 for violation of Title 31, U.S. Code, § 3802. Further remedies include suspension or debarment from contracting with the federal

government. The Contractor may also be required to reimburse the Department for costs the Department incurs arising from activities related to conflicts of interest. An example of such costs would be those incurred in processing Freedom of Information Act requests related to a conflict of interest.

- (D) In cases where remedies short of termination have been applied, the contractor, subcontractor, employee or consultant agrees to eliminate the organizational conflict of interest, or mitigate it to the satisfaction of the Contracting Officer.
- (E) The Contractor further agrees to insert in any subcontract or consultant agreement hereunder, provisions which shall conform substantially to the language of this clause, including specific mention of potential remedies and this paragraph (E).

(End of Section H)

PART II - CONTRACT CLAUSES

SECTION I - CONTRACT CLAUSES

I.1 - CLAUSES INCORPORATED BY REFERENCE - ALTERNATIVE I (FAR 52.252-2) (FEB 1998)

This order/contract incorporates one or more clauses by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. Also, the full text of a clause may be accessed electronically at this address:

<http://www.arnet.gov/far/>.

I.2 FAR 52.219-25 Small Disadvantaged Business Participation Program--Disadvantaged Status and Reporting (Oct 1999)

- (a) Disadvantaged status for joint venture partners, team members, and subcontractors. This clause addresses disadvantaged status for joint venture partners, team arrangement members, and subcontractors and is applicable if this contract contains small disadvantaged business (SDB) participation targets. The Contractor shall obtain representations of small disadvantaged status from joint venture partners, team arrangement members, and subcontractors through use of a provision substantially the same as paragraph (b)(1)(i) of the provision at FAR 52.219-22, Small Disadvantaged Business Status. The Contractor shall confirm that a joint venture partner, team member, or subcontractor representing itself as a small disadvantaged business concern, is identified as a certified small disadvantaged business in the database maintained by the Small Business Administration (PRO-Net) or by contacting the SBA's Office of Small Disadvantaged Business Certification and Eligibility.
- (b) Reporting requirement. If this contract contains SDB participation targets, the Contractor shall report on the participation of SDB concerns at contract completion, or as otherwise provided in this contract. Reporting may be on Optional Form 312, Small Disadvantaged Business Participation Report, or in the Contractor's own format providing the same information. This report is required for each contract containing SDB participation targets. If this contract contains an individual Small, Small Disadvantaged and Women-Owned Small Business Subcontracting Plan, reports may be submitted with the final Subcontracting Report for Individual Contracts (Standard Form 294) at the completion of the contract.

I.3 FAR 52.219-8 Utilization of Small Business Concerns (May 2004)

I.4 FAR 52.219-9 Small Business Subcontracting Plan (Nov 2007)

I.5 FAR 52.215-2 Audit and Records—Negotiation (June 1999)

(End of Section I)

PART III – LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

SECTION J – LIST OF ATTACHMENTS

ATTACHMENT	DESCRIPTION
A	Statement of Work

(End of Section J)

PART IV - REPRESENTATIONS AND INSTRUCTIONS

SECTION K - REPRESENTATIONS, CERTIFICATIONS, AND OTHER STATEMENTS OF OFFERORS

All offerors submitting quotes under the small business competition must complete the following representation. This representation supersedes all previous representations and size recertifications.

K.1 FAR 52.219-1 Small Business Program Representations (May 2004)

- (a) (1) The North American Industry Classification System (NAICS) code for this acquisition is NAICS Code 561440 (formerly SIC 7322).
- (2) The small business size standard is \$6.5 million.
- (3) The small business size standard for a concern which submits an offer in its own name, other than on a construction or service contract, but which proposes to furnish a product which it did not itself manufacture, is 500 employees.

(b) Representations

The offeror shall provide a copy of the most recent small business program representations or size recertification it has provided to the GSA Contracting Officer for its GSA Schedule 520-4 contract. Unless otherwise directed by the GSA Contracting Officer, this representation or recertification will be a completed copy of paragraph (c) of the provision FAR 52.212-3, Offeror Representations and Certifications—Commercial Items. This representation takes precedence over any representation or size recertification not provided to GSA for the offeror's GSA Schedule 520-4 contract.

(End of provision)

K.2 Conflict of Interest Certification

- (A) The contractor, subcontractor, employee or consultant, by signing the form in Attachment A, certifies that, to the best of their knowledge and belief, there are no relevant facts or circumstances which could give rise to an organizational or personal conflict of interest, (see FAR Subpart 9.5 for Organizational and Consultant Conflicts of Interest) (or apparent conflict of interest), for the organization or any of its staff, and that the contractor, subcontractor, employee or consultant has disclosed all such relevant information if such a conflict of interest appears to exist to a reasonable person with knowledge of the relevant facts (or if such a person would question the impartiality of the contractor, subcontractor, employee or consultant). Conflicts may arise in situations such as the following:
 - 1. Unequal access to information – a potential contractor, subcontractor, employee or consultant has access to non-public information through its performance on a government contract.

2. Biased ground rules – a potential contractor, subcontractor, employee or consultant has worked, in one government contract, or program, on the basic structure or ground rules of another government contract,
3. Impaired objectivity – a potential contractor, subcontractor, employee or consultant, or member of their immediate family (spouse, parent or child) has financial or other interests that would impair, or give the appearance of impairing, impartial judgment in the evaluation of government programs, in offering advice or recommendations to the government, or in providing technical assistance or other services to recipients of Federal funds as part of its contractual responsibility.

"Impaired objectivity" includes but is not limited to the following situations that would cause a reasonable person with knowledge of the relevant facts to question a person's objectivity:

1. Financial interests or reasonably foreseeable financial interests in or in connection with products, property, or services that may be purchased by an educational agency, a person, organization, or institution in the course of implementing any program administered by the Department;
2. Significant connections to teaching methodologies or approaches that might require or encourage the use of specific products, property or services; or
3. Significant identification with pedagogical or philosophical viewpoints that might require or encourage the use of a specific curriculum, specific products, property or services,

Offerors must provide the disclosure described above on any actual or potential conflict of interest (or apparent conflict of interest) regardless of their opinion that such a conflict or potential conflict (or apparent conflict of interest) would not impair their objectivity.

In a case in which an actual or potential conflict (or apparent conflict of interest) is disclosed, the Department will take appropriate actions to eliminate or address the actual or potential conflict, including but not limited to mitigating or neutralizing the conflict, when appropriate, through such means as ensuring a balance of views, disclosure with the appropriate disclaimers, or by restricting or modifying the work to be performed to avoid or reduce the conflict. In this clause, the term "potential conflict" means reasonably foreseeable conflict of interest.

- (B) The contractor, subcontractor, employee or consultant agrees that if "impaired objectivity, or an actual or potential conflict of interest (or apparent conflict of interest) is discovered after the award is made, it will make a full disclosure in writing to the Contracting Officer. This disclosure shall include a description of actions that the Contractor has taken or proposes to take, after consultation with the Contracting Officer, to avoid, mitigate, or neutralize the actual or potential conflict (or apparent conflict of interest).
- (C) Remedies - The Government may terminate this contract for convenience, in whole or in part, if it deems such termination necessary to avoid the appearance of a conflict of interest. If the Contractor was aware of a potential conflict of interest prior to award or discovered an actual or potential conflict after award and did not disclose or misrepresented relevant information to the Contracting Officer, the Government may terminate the contract for

default, or pursue such other remedies as may be permitted by law or this contract. These remedies include imprisonment for up to five years for violation of Title 18, U.S. Code, § 1001 and fines of up to \$5000 for violation of Title 31, U.S. Code, § 3802. Further remedies include suspension or debarment from contracting with the federal government. The Contractor may also be required to reimburse the Department for costs the Department incurs arising from activities related to conflicts of interest. An example of such costs would be those incurred in processing Freedom of Information Act requests related to a conflict of interest.

- (D) In cases where remedies short of termination have been applied, the contractor, subcontractor, employee or consultant agrees to eliminate the organizational conflict of interest, or mitigate it to the satisfaction of the Contracting Officer.
- (E) The Contractor further agrees to insert in any subcontract or consultant agreement hereunder, provisions which shall conform substantially to the language of this clause, including specific mention of potential remedies and this paragraph (E).

Attachment A – Conflict of Interest Certification

The Offeror, _____, hereby certifies that, to the best of their knowledge and belief, there are no present or currently planned interests (financial, contractual, organizational, or otherwise) relating to the work to be performed under the contract or task order resulting from Request for Quote No. _____ that would create any actual or potential conflict of interest (or apparent conflicts of interest) (including conflicts of interest for immediate family members: spouses, parents, children) that would impinge on its ability to render impartial, technically sound, and objective assistance or advice or result in it being given an unfair competitive advantage. In this clause, the term “potential conflict” means reasonably foreseeable conflict of interest. The Offeror further certifies that it has and will continue to exercise due diligence in identifying and removing or mitigating, to the Government’s satisfaction, such Conflicts of Interest (or apparent conflicts of interest).

Offeror’s Name _____

RFQ/Contract No. _____

Signature _____

Title _____

Date _____

(End of Section K)

SECTION L - INSTRUCTIONS, CONDITIONS, AND NOTICES TO OFFERORS

L.1 INSTRUCTIONS TO OFFERORS

Each offeror must submit a quote and other written information. The offeror's submission (Quote) will consist of 4 volumes. Each volume should be separately bound. Offerors shall submit one original, 5 hard copies of each volume and two electronic copies on individual CD-ROMs or USB key drives. For the electronic submissions, each volume must be in a separate file or a separate directory.

- i. Volume 1, Business Response
- ii. Volume 2, Technical Response
- iii. Volume 3, Past Performance Response
- iv. Volume 4, Small Business Participation Response

L.2 SUBMISSION OF QUOTE

Offerors shall submit all Quote information by following the procedures below:

Submit an original and 5 paper copies, and 2 electronic copies on individual CD-ROMs or USB key drives of your quote to:

U.S. Department of Education
Attention: Dominique Bataille
Contracts and Performance Operations
830 First Street NE, Suite UCP 91C1
Washington, DC 20202

If you use a delivery service, please be aware that the zip code above is a Federal mailroom zip code. The building is physically located within the 20426 zip code area.

If you hand deliver your submission, please allow time for building security procedures. Report to the guard desk (on your right as you enter the building) and ask them to call Dominique Bataille at 202-377-3459. Someone will come down and meet you at the guard station, receive your package and mark it with the time of receipt.

All questions or comments should be sent to pca2008@ed.gov no later than 4:00 PM Eastern Daylight Time, five (5) business days after the release of the RFQ.

L.3 DEADLINE FOR SUBMISSION OF QUOTES

Quotes are due by 4:00 PM Eastern Daylight Time on June 26, 2008. If an offeror has a request for an amendment to its GSA Contract that is still pending (for instance, to modify its prices for Administrative Resolutions), offerors should notify ED of this fact when submitting its quote and then shall provide a copy of the revised Authorized FSS Price List when the amendment is approved by GSA. Offerors may propose at the pending rate pending approval of the amendment by GSA.

L.4 FIRMS ELIGIBLE TO COMPETE FOR AWARD

Two separate competitions are being conducted under this solicitation:

- A small business competition, which is restricted to small business concerns and
- An unrestricted competition, which is not restricted on the basis of business size.

An offeror may not submit a quote under both competitions. An offeror that submits a quote for the small business competition will not be considered for the unrestricted competition.

Quotes are sought only from firms specifically invited by ED to compete for task order awards under this solicitation. However other firms may be subcontractors to the offeror or team members on a contractor team led by the offeror.

Offers will be accepted from contractor teams, provided that the team lead is the firm that ED invited to compete. If a contractor team receives a task order, the task order will be issued to the team lead, which will be fully responsible for successful performance of the task order, including assigning tasks and coordinating the work of other team members. In accordance with GSA FSS procedures, all team members must have a Federal Supply Schedule contract. This requirement does not preclude other concerns from participating as subcontractors.

Offerors are cautioned that a PCA may not receive more than one award under this solicitation, either as a prime contractor or team member.

L.5 WEB SITE FOR OFFERORS

A website has been established at <http://www.pca.ed.gov> to share information with offerors participating in this competition. Offerors are cautioned that in many cases this web site will be the primary, and in many cases will be the only, means of distributing information related to this competition, including amendments to this solicitation. Offerors and other interested parties should check this website frequently and sign up to receive notices of changes.

L.6 ECONOMY OF PRESENTATION

- (a) Unnecessarily elaborate quotes beyond those sufficient to provide a complete and effective response to this solicitation are not desired and may be construed as an indication of the offeror's lack of cost consciousness, ability to provide efficient work products or understanding of Government requirements. Elaborate artwork, expensive paper and bindings, and expensive visual or other presentation aids are neither necessary nor desired unless they contribute to the Government's understanding of the quote content within the context of the evaluation criteria in Section M of this solicitation.
- (b) Wherever quote page limitations are stated, any page size up to 8 ½" x 11" (or metric equivalent) will be considered a single page. Offerors may include pages larger than 8 ½" x 11", however such pages will count as two or more pages, rounding up to the next increment of 8 ½" x 11". Font sizes for text portions of the technical volume should not be less than Times New Roman, 12 point or approximate equivalent. The font size restriction

does not apply to small text in charts or similar presentations. Offerors may include a table of contents and a single title page with each volume, which will not count against any page limitations.

- (c) Clever attempts to circumvent, or failure to comply with, the spirit of page or font size limitations will not be viewed favorably by the Government and may be evaluated as indicative of the type of performance the Government might expect from the offeror under the task order. Where page limits apply, the Government reserves the right to evaluate only the first number of pages up to the page limit, or what the Government deems to be the equivalent of the first number of pages up to the page limit.

L.7 BUSINESS RESPONSE

The business response shall consist of the following items (Volume I):

1. **Offer letter** (1 page)
 - i. The cover letter transmitting the offer must indicate whether the quote is being submitted under the small business competition or under the unrestricted competition. The letter must be signed by an official authorized to commit your firm to enter into a contract.
2. **Pricing Section.**
 - i. In the pricing section, the offeror shall include either
 - a. A statement that it accepts the solicitation target prices or,
 - b. A statement that it accepts the solicitation target prices pending GSA's approval of a requested rate change. (The offeror and GSA must complete the rate modification before ED can award a task order based on the new rate.)
 - c. If the offeror is proposing deviations from the target pricing, a revised Pricing Schedule (Clause B.2).
 - ii. An offeror proposing rates either above or below the target rates shall justify the rates in its business volume and demonstrate that the proposed rates provide an appropriate balance between incentive, compensation to the Contractor and cost to ED that will ensure high quality performance under the order.
3. **Administrative Section**
 - i. Designate a point of contact for the competition and an alternate contact.
 - ii. Include the following contact information for each:
 - a. Name and title
 - b. E-mail address
 - c. Phone number
 - d. Fax number
 - e. Mailing address

- iii. If the offeror maintains a website, provide the web link (URL).
- iv. Provide a web link (URL) to the offeror's GSA Schedule Contract Price List for Financial Asset Management Services, Special Item Number 520-4. If not available on the web, explain in this section and include an electronic copy on the CDs or USB key drives. Only provide a paper copy if no electronic copy is available.

4. Subcontractor/Team Data

- i. Describe any proposed team arrangement
- ii. Describe any proposed major subcontracts. For purposes of both the unrestricted and small-business set-aside competitions, a major subcontract is defined as one exceeding 10% of task order proceeds.
- iii. Describe any proposed subsidiary collections offices.

The submission of these items to the Government will constitute the offeror's promise to comply with the terms and conditions of the task order, which will include Sections B through J of this solicitation and all attachments including the Statement of Work at the proposed prices.

L.8 Technical Response

Offerors shall submit the following information to the Government as Volume II of their Quotes. Technical volumes are limited to 17 pages, excluding flow charts and resumes, for an offeror that does not hold an unrestricted pool ED 2004 PCA task order and 13 pages, excluding flow charts and resumes, for an offeror holding an unrestricted pool ED 2004 PCA task order. However, if an offeror is proposing a Contractor Team Arrangement (CTA) between two or more GSA Schedule 520-4 vendors, the page limit will be increased by one page for each team member other than the offeror.

Each offeror shall provide the following information in its technical volume:

1. Experience:

- a. A description of relevant experience detailing how the offeror can perform the task order requirements including where the experience was gained, dates, what company and why the offeror believes it is relevant experience. Explain how this experience demonstrates your ability to effectively manage ED's portfolio debt. (An offeror holding an ED 2004 PCA task order may elect to rely solely on its experience under that task order.)
- b. Key personnel student loan experience and nationwide collection experience (number of years at each level). If a proposed key person is not currently an employee of the offeror, include a brief explanation of how the offeror has ensured this key person's participation (e.g., the key person signed an exclusive "letter of commitment.") Key personnel included in the offeror's quote will be incorporated into Clause G.6 of the task order.
- c. Three to five references to verify relevant experience. For each reference identified, provide the company name, contact person, an alternate point of contact and telephone numbers and email addresses for each. If an offeror is proposing a Contractor Team

Arrangement (CTA) between two or more GSA Schedule 520-4 vendors, the offeror should include 3-5 references for each team member. Offerors holding current ED PCA task orders must include that task order as one of the references. An offeror holding an ED 2004 PCA task order may rely solely on its experience under that task order and is not required to submit other references.

- d. Resumes of key personnel. Resumes may not exceed 2 pages for each key person.

2. Systems:

- a. An offeror holding an unrestricted pool ED 2004 PCA task order shall identify or briefly describe the system it uses under that task order and shall describe and explain the changes (if any) it plans to implement for the 2008 task order.
- b. All other offerors shall provide a description of the offeror's system capability, i.e., reporting, interface with ED, account flow activity (in chart form) and capacity, volume capacity and data base management system utilized. Explain how your system will be capable of handling account transfers, EFTs, etc.

3. Security Controls and Contingency Planning:

- a. A brief description of the security controls the offeror has in place, including systems controls, physical controls, standards and procedures to protect sensitive data.
- b. A brief description of the offeror's plans for achieving SAS 70 compliance.
- c. Describe in detail the offeror's corporate contingency planning for business recovery/resumption, including continuity of support, disaster recovery and cyber incident response plans.

- 4. **Training:** Describe in detail the company's employee Training Program.

- 5. **Cooperation and Compliance with Instructions:** *Offerors should not include a section addressing this area in their technical volume.* However, offerors are advised that the offeror's adherence to quote instructions or other official instructions from the Government concerning this solicitation will be considered in the technical evaluation.

L.9 Past Performance Response

Offerors shall submit the following information as Volume III of the quotes. This volume is limited to 4 pages. However, if an offeror is proposing a Contractor Team Arrangement (CTA) between two or more GSA Schedule 520-4 vendors, the page limit will be increased by one page for each team member other than the offeror. The offeror shall focus on results produced and describe why its past performance is of a quality and relevance that places it among the best of top performing collection agencies.

The offeror shall include specific examples of its relevant past performance in a competitive environment since January 1, 2005, including its recovery results, placement among all competing contractors and number of contractors. The offeror shall explain how the client measured performance, including the extent to which it used objective performance measures, and shall report its performance results as measured by the client (or explain why this

information is not available). A quote submitted under the small business may include past performance of key personnel as one or more of the examples of past performance [See Subsection L.8(1)(b)].

At least one example should include performance collecting student loan debt. However, if an offeror has *no* past performance collecting student debt, the offeror may substitute other relevant past performance.

Each example should cover the entire period since January 1, 2005, and not focus on a single snapshot timeframe within that period. Offerors must explain any gaps for which performance results are not provided in its quote. Recent past performance includes only January 1, 2005 through the current date. Offerors may cite projects that did not extend over this entire period, but must include all performance on the project since January 1, 2005 and must indicate the duration of the project to the nearest month.

The length of time the offeror has performed on a project may be a factor in considering the relevance and reliability of any project of less than 12 months duration.

Offerors holding current ED PCA task orders must include their CPCS performance including all CPCS periods as one of the examples.

The Offeror shall explain how this past performance is relevant to this task order's requirements. (This explanation is not required for past performance on an ED 2004 PCA task order.) ED considers the following to be the most significant factors contributing to relevance:

- a. Performance collecting student loan debt,
- b. Performance in a competitive environment (especially on CPCS),
- c. Performance collecting nationwide, and
- d. Performance handling large accounts volumes.

Within the category of performance collecting student loan debt, ED considers:

- a. For ED to be the most relevant
- b. For a Guaranty Agency to be the next most relevant
- c. Involving loan rehabilitations to be the next most relevant
- d. Involving other similarities to ED's collection of Federal student loan debt to be more relevant than less similar student loan collections.

Other factors, such as debt types similar to student loan debt, may contribute to a lesser degree.

Elements contributing to a competitive environment include (but are not necessarily limited to):

- a. Multiple collection agencies working for the same client
- b. Client assessment of performance
- c. Comparison of results between collection agencies working for the same client
- d. Objective performance measures
- e. Performance measured relative to collection agencies working for the same client

- f. Incentives based on measured performance
- g. Incentives based on results relative to collection agencies working for the same client

The CPCS competitive environment contains all these elements. While a past performance example may not necessarily contain all these elements, the more similar it is to the CPCS competitive environment, the more relevant it is.

Offerors shall provide references for three of these examples of relevant past performance. If an offeror is proposing a Contractor Team Arrangement (CTA) between two or more GSA Schedule 520-4 vendors, the offeror should include three references for each team member. For each of the three references identified, the offeror shall provide a point of contact, an alternate point of contact and telephone numbers for each and email addresses, for the contract that is used to demonstrate relevant past performance. Offerors may want to notify references that ED will contact them.

An offeror may elect to rely solely on its past performance under their ED 2004 PCA task order if it has an average CPCS score of 75 or higher for either:

- a. The four most recent CPCS quarterly reports or
- b. All CPCS quarterly reports to date.

An offeror with an average CPCS of 75 or higher is not required to submit examples of past performance other than CPCS, but must still include its CPCS performance over the entire term of the task order. If the offeror opts to rely solely on its performance under their 2004 PCA task order, Volume III will be limited to 2 pages. If offeror chooses to include only one other example of its past performance, Volume III will be limited to 3 pages.

The Department may obtain and consider other information that may be available. The Department may contact and obtain or verify past performance information from references.

If an offeror believes that its competitive standing or other past performance information does not fairly represent its past performance or that an unusual event or special circumstance created an inequity in its past performance ratings or standings, the offeror should clearly explain why. If an offeror that currently holds a PCA task order with the Department believes that the latest Contract-to-Date CPCS rating or ranking does not fairly represent its past performance relative to other PCA contractors, the offeror should clearly explain why.

In its explanation of why past performance information may not fairly represent its past performance, the offeror may only cite a factor that affects most collection agencies similarly (e.g., changes in laws, collection rules or fluctuations in the national economy), if the offeror clearly and convincingly explains why that factor had an inequitable effect on the offeror's past performance relative to other collection agencies. Offerors are cautioned that the Department considers circumstances within the offeror's control (e.g., relocations, staffing changes, reorganizations or internal problems) to be part of the offeror's past performance and thus not a basis for adjusting or excusing its past performance ratings or standings.

L.10 Small Business Participation Response

Offerors shall submit the following information to the Government as Volume IV of their quotes.

(a) Offerors Competing in the Small business

Offerors submitting quotes under the small business shall submit, a completed copy of the representation required by paragraph (b) of the provision at K.1, FAR Small Business Program Representations in the Small Business Participation Response.

(b) Offerors Competing in the Unrestricted Competition

Offerors submitting quotes under the unrestricted competition (regardless of the offeror's current small business size status) shall submit the following in the Small Business Participation Response. This volume is limited to 4 pages, exclusive of the offeror's Small Business Subcontracting Plan and copies of small business subcontracting reports, which are to be included as attachments.

1. A table of proposed small business subcontracting targets in the following format:

	ED Goal (of all subcontract \$)	Contractor Target (of all subcontract \$)
- All small business (SB)	25%	_____%
- Small disadvantaged SB	5%	_____%
- Service-disabled veteran-owned SB	3%	_____%
- Women-owned SB	5%	_____%
- HUBZone SB	3%	_____%

Please note that subcontracting targets are to be stated as a percentage of all dollars expended on subcontracts. (For example, if an offeror planned to subcontract \$200,000 a year, of which \$120,000 was targeted to small business, it would report its "all small business" target as 60%.)

However, if the offeror plans to apply subcontracting targets to a major subcontract (see L.3.4), it may exclude the major subcontractor from the totals and may count second-tier subcontracts from the major subcontractor in the table. For example, suppose an offeror planned first-tier subcontracts totaling of \$2,500,000, of which:

- a. \$160,000 was targeted to small businesses,
- b. \$2,000,000 was planned for a major subcontract with a large business,
 - i. The major subcontractor targeted subcontracts of \$115,000 to small businesses and
- c. \$225,000 was planned for other subcontracts by the prime to large businesses.

In this case, the small business subcontracts would total \$275,000 (\$160,000+\$115,000). The denominator would be \$500,000 ((\$160,000+\$115,000+\$225,000)). In its small business participation response, the offeror would report its "all small business" target as 55% (\$275,000/\$500,000).

Note that in the \$2,000,000 major subcontract is not included in the calculations. However, with this section of its quote, the offeror must:

- a. Describe the major subcontract,
- b. Disclose the estimated amount of the major subcontract, and
- c. Describe how the offeror plans to apply subcontracting targets to the major subcontractor.

The individual categories in the table are not mutually exclusive. A single subcontract may fall under as many categories as appropriate. The "all small business" category includes subcontracts with small business concerns that fall into one or more of the other categories as well as small business concerns that do not fall into any of those categories.

2. A subcontracting plan prepared in accordance with the clause at I.5, FAR 52.219-9, Small Business Subcontracting Plan. (FAR 52.219-9 does not apply to small business concerns. Thus, a small business submitting a quote in the unrestricted competition is not required to include a FAR 52.219-9 subcontracting plan.) The offeror shall include its Small Business Subcontracting Plan, which will not count toward the page limitation, as an attachment in Volume IV. (Note that the provisions in paragraph 1 related to major subcontractors and second-tier subcontracts do not apply to FAR 52.219-9, Small Business Subcontracting Plan.)
3. Historical information on small business subcontracting. For this item section, the offeror should not report on activities prior to January 1, 2005. Briefly describe the offeror's system or procedures for enhancing small business subcontract opportunities. Describe the offeror's small business subcontracting record. For each contract that contained small business subcontracting targets, the offeror shall list:
 - a. The contract
 - b. The applicable targets
 - c. The small business subcontracting results for each target.
4. The offeror should provide an explanation of each small business target the offeror did not meet. The offeror shall attach copies of small business subcontracting reports, if available. The attached subcontracting reports will not count toward the page limitation.

L.11 Small business

The following clause applies only to the small business competition:

FAR 52.219-6 Notice of Total Small business (June 2003) Alternate I (Oct 1995)

- (a) Definition. "Small business concern," as used in this clause, means a concern, including its affiliates that is independently owned and operated, not dominant in the field of operation in

which it is bidding on Government contracts, and qualified as a small business under the size standards in this solicitation.

(b) General.

- (1) Offers are solicited only from small business concerns. Offers received from concerns that are not small business concerns shall be considered nonresponsive and will be rejected.
- (2) Any award resulting from this solicitation will be made to a small business concern.

L.12 PREPROPOSAL CONFERENCE

No preproposal conference is planned for this procurement.

L.13 INQUIRIES/TECHNICAL QUESTIONS

Offerors are instructed specifically to contact only the office issuing this solicitation about any of the requirements contained in the solicitation. Prospective Offerors are cautioned against contacting ED technical personnel in regard to this solicitation prior to award. The circumstances of such a contact, when verified, shall result in nonconsideration of the offeror's Quote.

Accordingly, all inquiries and correspondence shall be submitted in writing, via electronic mail, to:

pca2008@ed.gov.

(For urgent matters, you may call the Contracting Specialist, Dominique Bataille at 202-377-3459 or the Contracting Officer, Mike Whisler at 202-377-3450.)

Responses to questions will be provided to all offerors (with due regard to the proper protection of proprietary information). All amendments to the solicitation will be posted on the solicitation web site. ED does not intend to distribute paper copies of amendments to offerors.

L.14 PERIOD FOR ACCEPTANCE OF OFFERS

The offeror agrees to hold the prices in its offer firm for 180 calendar days from the date specified for receipt of offers, unless another time period is specified in an addendum to the solicitation.

L.15 LATE QUOTES

Quotes or modifications of quotes received at the address specified in Section L.2 for the receipt of offers after the exact time specified for receipt of quotes will not be considered.

L.16 TASK ORDER AWARD

The Government reserves the right to evaluate quotes and award task orders without discussions with offerors. Therefore, the offeror's initial offer should contain the offeror's best terms from a price and technical standpoint. The Government specifically reserves the right hold discussions

with some, but not all offerors. The Government may award task orders to one or more offerors without discussions with those offerors, determine without discussions with an offeror that its quote does not qualify for award and hold discussions with other offerors.

The primary purpose of discussions under this competition is to improve the Government's understanding of the offeror's quote and its qualifications so that the Government may determine whether the offeror will be selected for task order award. Accordingly, the Government may not necessarily give offerors an opportunity to revise their quotes after discussions. Although the Government may discuss weaknesses or deficiencies in an offeror's quote, the Government makes no commitment to do so.

The Government does not intend to incorporate offerors' quotes into the task order. However, the Government may incorporate proposed pricing, key personnel or other commitments or information from the offeror's quote into the task order.

The Government may: reject any or all offers if such action is in the public interest; accept other than the lowest quote; and waive informalities and minor irregularities in quotes received.

L.17 DISPOSITION OF QUOTES

After award of the task orders resulting from this solicitation, unsuccessful quotes will be disposed of in the following manner: The issuing contracting office will retain all Original copies of each quote; the remainder may be destroyed.

(End of Section L)

SECTION M - EVALUATION FACTORS FOR AWARD

M.1 TASK ORDER AWARD

- a. The Government will make award to one or more Offeror(s) through a task order from contracts procured through the General Services Administration (GSA) Schedule for Financial Asset Services (FAS) that are deemed to represent best value to the Government.
- b. For this task order solicitation, the Government has established a target fee. Therefore, quality factors and the commitment to small business are more important than price in making the award selection. Factors will be considered in the following order of importance:
 - i. Past Performance (65%)
 - ii. Technical Evaluation (25%)
 - iii. Commitment to Small Business (10%)

As the Past Performance and the Technical Evaluation factors cause the overall evaluations of Offerors' quotes to converge, the Commitment to Small Business factor and any variations in pricing will become increasingly more significant. However, to be considered for an award, an offer must be fairly and reasonably priced. (The Government considers the target prices to represent fair and reasonable pricing.)

- c. An offeror including any affiliates may not receive or participate in more than one prime award as a result of this solicitation. See Clause H.8 for additional information.
- d. The Government plans to award approximately 10 to 14 task orders under the unrestricted pool as a result of this solicitation.
- e. In addition, the Government plans to award approximately three to seven task orders under the small business pool as a result of this solicitation. The small business pool will be conducted as a separate competition, with small businesses competing only against each other.

M.2 PAST PERFORMANCE

Past performance information will be obtained and considered, from January 1, 2005, as follows:

- a. The Department will consider information provided in offerors' quotes.
- b. The Department will consider information obtained when checking references provided in the technical volume for all Offerors.
- c. In the small business, if an offeror included key personnel past performance among its examples of past performance, then the Department will consider the past performance of key personnel in the evaluation of that offeror.

- d. The Department does not intend to consider past performance of key personnel in the unrestricted competition.

For those companies with a current ED 2004 PCA task order, the Department will use performance data that it has on hand such as the CPCS quarterly, long-term and contract-to-date reports.

Evaluators will rate past performance on the likelihood that the offeror would *excel* in task order performance. The Department will consider *both the quality and relevance* in its evaluation of past performance. The Department considers competitive ranking past performance information to be significantly more relevant and reliable than past performance on otherwise similar work that did not involve competitive ranking information. The Department considers CPCS data, ratings and rankings to be the most relevant and reliable past performance information available.

No degree of relevance will be deemed to strengthen an offeror's past performance on a contract or project if the quality of its performance on that effort was rated below average or poor. No other factors or combination of factors can overcome a poor past performance rating. Accordingly offerors with a poor past performance rating will be deemed unacceptable.

M.3 TECHNICAL EVALUATION CRITERIA

The Technical Evaluation Criteria are:

- a. Experience*
- b. Systems
- c. Security controls and the Contingency Planning
- d. Training Plan
- e. Cooperation and compliance with instructions

*Note: Please be advised that any offerors proposing Key Personnel with relevant experience may receive a higher evaluation rating for this criterion than those who do not.

The five (5) Technical Evaluation Criteria listed above are of essentially equal importance. Based on the information presented in the technical volume and the reference information, each quote will be rated as follows:

- a. **Low Probability of Success:** Significant risk exists that the offeror will successfully perform the required effort. Offerors rated with a low probability of success will be deemed unacceptable.
- b. **Moderate Probability of Success:** Some risk exists that the offeror will successfully perform the required effort. Normal contractor emphasis should preclude any problems.
- c. **High Probability of Success:** Almost no risk exists that the offeror will successfully perform the required effort.

M.4 SMALL BUSINESS PARTICIPATION

The small business competition and the unrestricted competition will be evaluated under this factor using separate criteria for each.

(a) Small business Competition

Offerors in the small business competition will be evaluated based on the following criteria, in order of importance.

1. Small business concerns (including members of team arrangements, but not subcontractors) in one or more of the following categories will receive a slight additional consideration. If a small business concern qualifies in more than one category (as defined in FAR Subpart 52.219-8 Utilization of Small Business Concerns), the Department will consider all applicable categories in its evaluation.
 - i. Small disadvantaged or 8(a) business concern
 - ii. Service-disabled veteran-owned small business concern
 - iii. Women-owned small business concern
 - iv. HUBZone small business concern

(b) Unrestricted Competition

Offerors in the unrestricted competition will be evaluated on the following criteria, stated in order of importance:

1. The extent to which the offeror's proposed small business subcontracting targets contribute toward the Department's small business subcontracting goals.
2. The offeror's historical success in enhancing small business opportunities and meeting small business subcontracting targets.

M.5 BUSINESS QUOTE/PRICE

Proposed rates will be considered based on a balance of the following subfactors:

- a. Incentive - The rates must be high enough to ensure that PCAs have an incentive to maximize production.
- b. Compensation - PCAs must be adequately compensated to cover their reasonable costs with a fair profit.
- c. Cost to ED - The rates must be low enough that ED receives a reasonable return on its assets.

The Department has established Target Rates that it considers fair and reasonable prices. ED considers the Target Rates to represent the optimal balance of the above three subfactors.

(End of Section M)